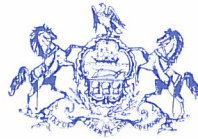


COMMONWEALTH OF PENNSYLVANIA



OFFICE OF CONSUMER ADVOCATE

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February 3, 2022

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

Re: Pennsylvania Public Utility Commission
v.
UGI Utilities, Inc. – Gas Division
Docket No. R-2021-3030218

Dear Secretary Chiavetta:

Attached for electronic filing please find the Office of Consumer Advocate's Formal Complaint and Public Statement in the above-referenced proceeding.

Copies have been served per the attached Certificate of Service.

Respectfully submitted,

/s/ Laura J. Antinucci
Laura J. Antinucci
Assistant Consumer Advocate
PA Attorney I.D. # 327217
E-Mail: LAntinucci@paoca.org

Enclosures:

cc: The Honorable Charles E. Rainey, Jr. (**email only**)
Bureau of Technical Utility Services (**email only**)
Office of Special Assistants (**email only**: ra-OSA@pa.gov)
Certificate of Service

*323668

CERTIFICATE OF SERVICE

Re: Pennsylvania Public Utility Commission :
 :
 v. : Docket No. R-2021-3030218
 :
 UGI Utilities, Inc. – Gas Division :

I hereby certify that I have this day served a true copy of the following document, the Office of Consumer Advocate’s Formal Complaint and Public Statement, upon parties of record in this proceeding in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant), in the manner and upon the persons listed below:

Dated this 3rd day of February 2022.

SERVICE BY E-MAIL ONLY

Carrie B. Wright, Esquire
Bureau of Investigation & Enforcement
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, PA 17120
carwright@pa.gov

Steven C. Gray, Esquire
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555 Walnut Street
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sgray@pa.gov

Kent D. Murphy, Esquire
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/s/ Laura J. Antinucci

Laura J. Antinucci

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Counsel for:

Office of Consumer Advocate

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5th Floor, Forum Place

Harrisburg, PA 17101-1923

Phone: (717) 783-5048

Fax: (717) 783-7152

Dated: February 3, 2022

*323671

PENNSYLVANIA PUBLIC UTILITY COMMISSION

Formal Complaint

1. CUSTOMER NAME (COMPLAINANT)

Patrick M. Cicero, Acting Consumer Advocate
555 Walnut Street, 5th Floor, Forum Place
Harrisburg, PA 17101-1923
Dauphin County
Phone: (717) 783-5048

2. UTILITY NAME (RESPONDENT)

UGI Utilities, Inc. – Gas Division – Docket No. R-2021-3030218

3. TYPE OF UTILITY

Natural Gas

4. COMPLAINT

A. On January 28, 2022, UGI Utilities, Inc. – Gas Division (UGI Gas or the Company) filed Supplement No. 32 to Tariff Gas – PA. P.U.C. Nos. 7 and 7-S (Supplement No. 32). Through Supplement No. 32, the Company proposes to increase rates to produce additional annual operating revenues of \$82.7 million, or an increase of 7.8%. The proposed rate increase would become effective on March 29, 2022.

B. The Company is engaged in the business of furnishing natural gas to approximately 672,000 residential, commercial, and industrial customers in over 45 counties throughout Pennsylvania.

C. The Company is proposing to allocate \$68.1 million, or 82.3% of the proposed increase, to the residential customer class. The Company produces this result, in part, by

increasing the average residential monthly customer charge by \$5.35, from \$14.60 to \$19.95, or by 36.6%.¹

D. The Company states that its proposal is driven by several factors, including a need to earn a fair return on its investments, infrastructure replacement programs, upgrades to technology and employee training resources, and employee compensation and cost increases.

E. If the Company's request is approved by the Commission, the Company would also be allowed an overall rate of return of 7.96%, which includes an 11.20% return on equity. The proposed 11.20% return on equity includes a 0.20% adjustment in recognition of strong performance of management in customer service and effectiveness.

F. Under this proposal, the total average monthly bill of a residential customer using 73.1 Cubic Feet (Ccf) per month would increase from \$98.62 to \$108.01 per month, or by 9.5%. The increase to residential bills on a distribution only basis would be 19.4%.

G. In addition, the Company is proposing to finalize the transition to uniform rates by taking the remaining step to unify Rates N/NT and Rate DS in this proceeding consistent with the terms set forth in the Commission's Opinion and Orders entered at Docket No. R-2019-3006814 and R-2019-3015162.

H. The Company is also proposing a Weather Normalization Adjustment (WNA) tariff rider to normalize weather sensitive usage by customers between October and May. The WNA charges customers between these months when it is warmer than normal, and credits customers when it is colder than normal on a service rendered basis.

¹ The OCA calculated the increase in the average residential monthly customer charge using the rate that will be in effect starting on October 1, 2022. The current average residential monthly charge is slightly higher than that at \$15.31/month due to a temporary year-long increase that was granted in the 2020 UGI - Gas Division settlement (Docket No. R-2019-3015162) from October 1, 2021 until September 30, 2022 to recover deferred revenue.

I. The Company is also proposing to improve the quality and effectiveness of its management performance by improving customer service, reliability of distribution, safety, COVID response, environmental programs, community service, and diversity and inclusion programs. The Company believes that these improvements support its proposed rate of return increase.

J. The Consumer Advocate is empowered to represent the interests of consumers before the Pennsylvania Public Utility Commission (Commission), pursuant to Act 161 of the General Assembly, as amended, 71 P.S. §§ 309-1, *et seq.*

K. A preliminary examination of the Company's Tariff and Supplement No. 32 indicates that the Company's existing and proposed changes in rates, rules and regulations may be unjust, unreasonable, in violation of the law and will or may produce an excessive return on investment in violation of the Public Utility Code, 66 Pa. C.S. § 1301, *et seq.*

L. The Acting Consumer Advocate also avers that the proposed tariff changes and proposed rate structure and rate design may be unlawfully discriminatory, in violation of the Public Utility Code, 66 Pa. C.S. §§ 1301 and 1304, *et seq.*, and may otherwise be contrary to sound ratemaking principles and public policy.

M. The Acting Consumer Advocate files this Complaint to ensure that the Commission will fully and fairly adjudicate issues pertaining to whether the Company's existing and proposed rates--and any and all rate policy changes--are just and reasonable, and are not unduly discriminatory or otherwise unlawful.

5. RELIEF

The Acting Consumer Advocate respectfully requests that the Commission take the following actions:

- A. Suspend and investigate the operation of Supplement No. 32 to Tariff Gas – PA. P.U.C. Nos. 7 and 7-S, pursuant to Section 1308(d) of the Public Utility Code, 66 Pa. C.S. § 1308(d);
- B. Consolidate all complaints filed against proposed Supplement No. 32;
- C. Hold full evidentiary hearings examining the reasonableness of the Company’s current rates and its proposed increases in rates;
- D. After providing the public with adequate notice, hold public input hearings in the Company’s service territory in order to provide customers with an opportunity to be heard on the record, and hold those hearings as early in the case as feasible;
- E. Deny any increase or change in the Company’s rates that is unjust, unreasonable, discriminatory or inconsistent with the Public Utility Code, sound ratemaking principles, and public policy;
- F. Determine the justness and reasonableness of the Company’s current and proposed rates and tariff; and
- G. Grant such other relief it deems appropriate.

6. VERIFICATION AND SIGNATURE

Verification:

I, Patrick M. Cicero, Acting Consumer Advocate, hereby state that the facts above set forth are true and correct (or are true and correct to the best of my knowledge, information and belief) and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa.C.S. § 4904 (relating to unsworn falsification to authorities).

/s/ Patrick M. Cicero

02/03/2022

(Signature)

(Date)

7. LEGAL REPRESENTATION

Laura J. Antinucci, Assistant Consumer Advocate, PA Bar No. 327217
Mackenzie C. Battle, Assistant Consumer Advocate, PA Bar No. 330879
Christy M. Appleby, Assistant Consumer Advocate, PA Bar No. 85824
Darryl A. Lawrence, Senior Assistant Consumer Advocate, PA Bar No. 93682

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DLawrence@paoca.org

**PUBLIC STATEMENT OF THE OFFICE OF CONSUMER ADVOCATE
PURSUANT TO 71 P.S. SECTION 309-4(e)**

Act 161 of the Pennsylvania General Assembly, 71 P.S. § 309-2, as enacted July 9, 1976, authorizes the Consumer Advocate to represent the interest of consumers before the Pennsylvania Public Utility Commission (Commission). In accordance with Act 161, and for the following reasons, the Acting Consumer Advocate determined to file a Formal Complaint and participate in proceedings before the Commission involving the proposed rate increase requested by UGI Utilities, Inc. – Gas Division (UGI Gas or the Company) docketed at R-2021-3030218.

The Company is engaged in the business of furnishing natural gas to approximately 650,000 residential, commercial, and industrial customers in over 45 counties throughout Pennsylvania. The proposed tariff, if approved, would allow the Company an increase of approximately \$82.7 million, or 7.8%, to its annual operating revenues. The Company would also be allowed an overall rate of return of 7.96% which includes a 11.20% return on common equity. Under the Company's proposal, the total average monthly bill of a UGI Gas residential customer using 73.1 Cubic Feet (Ccf) per month would increase from \$98.62 to \$108.01 per month, or by 9.5%. The increase to an average residential bill on a distribution only basis would be 19.4%.

The Acting Consumer Advocate files this Complaint to ensure that the rate increase and other charges and mechanisms sought by the Company are just and reasonable. The Acting Consumer Advocate will represent the interests of UGI Gas ratepayers before the Commission and will seek to ensure that customers are not charged rates that are unjust, unreasonable, discriminatory or otherwise contrary to law.